

TCEQ Interoffice Memorandum

To: Commissioners

Thru: Bridget Bohac, Chief Clerk

From: John Gillen, Manager, Watermaster Section, Water Availability Division

Date: August 31, 2012

Subject: Agenda Executive Summary for Approval of Fiscal Year (FY) 2013 Proposed Assessment for Annual Costs for Watermaster Operations in the South Texas Water Division Set for September 19, 2012 Uncontested Agenda; Docket No. 2012-1413-BGT

Summary of Request:

The South Texas Watermaster Program seeks approval of its FY 2013 proposed assessment for annual costs of operations based on its operating budget which consists of a \$50.00 base fee applicable to each assessment account. A penalty of 5.0% of any delinquent fee due shall be imposed on a person who fails to pay the required fee when due and if the person fails to pay the fee within 30 days after the date the fee is due, an additional 5.0% penalty shall be imposed. Delinquent fees will accrue interest beginning on the 61st day after the due date. The yearly interest rate on all delinquent fees required under this title is the prime rate plus one percent, as published in the *Wall Street Journal* on the first day of each calendar year that is not a Saturday, Sunday, or a legal holiday. Penalties and/or interest fees may be waived by the Executive Director for good cause. The Executive Director estimates the proposed assessment of Five Hundred Seventy-Two Thousand Two Hundred Eleven Dollar and Fifteen Cents (\$572,211.15) will generate revenue of Five Hundred Fifty-Seven Thousand Nine Hundred Five Dollars and Eighty-Seven Cents (\$557,905.87) for FY 2013.

Authority: Tex. Water Code §§ 11.329
30 Tex. Admin. Code §§ 12.1, 12.3, and 12.5

Staff Recommendation:

Approval of the South Texas Watermaster Program FY 2013 Assessment for Annual Cost of Operations.

Contact: John Gillen, (512) 239-4721
Cindy Hooper, (210) 403-4080

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
AGENDA ITEM REQUEST**

AGENDA REQUESTED: September 19, 2012

DATE OF REQUEST: August 8, 2012

NAME & NUMBER OF PERSON TO CONTACT REGARDING CHANGES TO THIS REQUEST, IF NEEDED:

Steve Ramos, (210) 403-4040

Cindy Hooper, (210) 403-4080

CONSIDERATION OF FISCAL YEAR 2013 ASSESSMENT OF ANNUAL COSTS FOR WATERMASTER OPERATIONS IN THE SOUTH TEXAS WATERMASTER PROGRAM.

Pursuant to Texas Water Code Section 11.329 and 30 Tex. Admin. Code Sections 12.1, 12.3, 12.5, and 304.61 of the Commission Rules, the Executive Director requests that the Commission consider Watermaster assessment of annual costs for the fiscal year beginning September 1, 2012, and ending August 31, 2013, for appropriators in the South Texas Water Division which consists of the Nueces, San Antonio, Guadalupe, and Lavaca River Basins, as well as the Lavaca-Guadalupe Coastal Basin, the San Antonio-Nueces Coastal Basin, and the Nueces-Rio Grande Coastal Basin, except that part in Hidalgo, Cameron, Willacy, and Starr Counties and approve \$572,211.15 as the amount to be assessed for annual costs.

CHIEF CLERK MUST SEND NOTICE OF THE APPLICATION/HEARING: No

TYPE OF MATTER: Budget

COUNTY: The 50 counties within the South Texas Watermaster's Jurisdiction (Aransas, Atascosa, Bandera, Bastrop, Bee, Bexar, Blanco, Brooks, Caldwell, Calhoun, Colorado, Comal, DeWitt, Dimmit, Duval, Edwards, Fayette, Frio, Gillespie, Goliad, Gonzales, Guadalupe, Hays, Jackson, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kerr, Kinney, Kleberg, La Salle, Lavaca, Live Oak, Maverick, McMullen, Medina, Nueces, Real, Refugio, San Patricio, Starr, Uvalde, Victoria, Webb, Wharton, Willacy, Wilson, and Zavala)

DOCKET NUMBER: 2012-1413-BGT

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER

Assessing the Annual Cost of Operation for the South Texas Water Division for the fiscal year beginning September 1, 2012, and ending August 31, 2013:
Docket No. 2012-1413-BGT; South Texas Water Division

On September 19, 2012, after proper notice and public hearing as provided in Texas Water Code § 11.329, came to be considered by the Texas Commission on Environmental Quality ("Commission") the matter of cost for the Watermaster operations in the said Division for the fiscal year beginning September 1, 2012, and ending August 31, 2013. After reviewing the supporting documentation, the Commission finds as follows:

1. The South Texas Water Division consists of the Nueces, San Antonio, Guadalupe, and Lavaca River Basins, as well as the Lavaca-Guadalupe Coastal Basin, the San Antonio-Nueces Coastal Basin, and the Nueces-Rio Grande Coastal Basin, except that part in Hidalgo, Cameron, Willacy, and Starr Counties;
2. Pursuant to Texas Water Code § 11.329, the holders of water rights which are to be administered by the Watermaster may be assessed the compensation and necessary expenses of a Watermaster, assistant Watermasters, and other necessary employees;
3. 30 Texas Administrative Code (TAC) §§ 304.61-304.63 set forth formulas and procedures for the assessment of costs of the Watermaster operations in the South Texas Water Division;
4. The compensation and necessary expenses of a Watermaster and other necessary employees for the fiscal year beginning September 1, 2012 and ending August 31, 2013 will require the amount to be assessed in the sum of Five Hundred Seventy-Two Thousand Two Hundred Eleven Dollars and Fifteen Cents (\$572,211.15).
5. The charges, fees, formulas for assessment rates, and method for assessing and levying costs approved below constitute an equitable apportionment of costs, as required by Texas Water Code § 11.329;
6. All requirements of Texas Water Code § 11.329 and 30 TAC §§ 304.61-304.63 have been met.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:

1. That the amount of Five Hundred Seventy-Two Thousand Two Hundred Eleven Dollars and Fifteen Cents (\$572,211.15) is approved as the total amount to be assessed for annual costs of operations of the South Texas Watermaster operations during the fiscal year beginning September 1, 2012 and ending August 31, 2013 and that such amount is assessed against the water rights holders in the South Texas Water Division in the manner described in this order and pursuant to 30 TAC §§ 304.61-304.63;
2. That the following charges, rates, fees, formulas for assessment rates and method for assessing and levying cost are approved and shall be implemented by the Executive Director:
 - a. A base charge for each assessment account of Fifty Dollars (\$50.00);
 - b. Assessment rates for each assessment account to be calculated by the Executive Director in accordance with the procedures set forth in 30 TAC § 304.63;
 - c. Assessment of costs and levy of assessments for each account in accordance with procedures set forth in 30 TAC § 304.63;
 - d. A penalty of 5.0% of the fee due shall be imposed when the assessment is not paid on time. If the assessment is not paid within 30 days after the day on which the fee is due, an additional 5.0% penalty shall be imposed pursuant to 30 TAC Chapter 12;
 - e. Delinquent fees accrue interest beginning on the 61st day after their due date;
 - f. Penalties and/or interest under this section may be waived by the Executive Director for good cause; and
3. That the Executive Director shall specify dates by which payments assessed pursuant to this order shall be paid or postmarked.

Issued This Date: _____

Texas Commission on
Environmental Quality

For the Commission

TCEQ Interoffice Memorandum

To: Commissioners, TCEQ

Thru: L'Oreal Stepney, P.E., Deputy Director
Office of Water

From: Kellye Rila, Director
Water Availability Division

Date: August 31, 2012

Subject: Fiscal Year (FY) 2013 Proposed Assessment of Annual Costs of Operations
for the South Texas Watermaster Program

The South Texas Watermaster fund is required by Texas Water Code (TWC) § 11.329 to pay compensation and expenses of the Watermaster and to pay expenditures for equipment, facilities, and capital expenditures necessary for Watermaster operations when recommended by the Watermaster Advisory Committee (WAC) and the Executive Director and approved by the Commission.

The attached document, "South Texas Watermaster Operations", was presented to the South Texas WAC members on July 11, 2012 in San Antonio, Texas. The second column, "FY13 Operating Budget Needs" indicates the projected program needs within the FY 13 appropriation. Also, attached to this memo is a copy of the public meeting notice for the July 2012 South Texas WAC meeting. An additional public meeting notice was mailed on August 20, 2012 to all affected water right holders regarding this budget item scheduled for the September 19, 2012 commission agenda. A copy of that notice and the mailing affidavit from the Chief Clerk's office are also attached. As required by the TWC, this notice provides thirty (30) days notice of the budget hearing.

WAC members have agreed with staff's recommendation for the proposed "FY13 Operating Budget Needs" in the amount of \$557,905.87. A copy of the WAC meeting agenda is attached for your information.

Staff recommends the "FY13 Operating Budget Needs" in the amount of \$557,905.87. Using this budget amount, the program calculates its assessment based on a 97.5% collection rate; therefore, the total assessment amount is \$572,211.15 with a municipal rate of \$0.1822. This staff proposal represents a decrease of \$0.0138 from the previous year's municipal rate of \$0.1960. The calculated rate for FY 2013 is expected to generate revenue in excess of the Comptroller's Biennial Revenue Estimate (BRE) when combined with the revenue estimates for the Rio Grande Watermaster Program and the Concho River Watermaster Program. This combined excess revenue collection will

TCEQ Interoffice Memorandum

provide access to the contingency Watermaster appropriations as authorized in Rider 24 of the General Appropriations Act.

This memorandum requests Commission approval of the South Texas Watermaster Program operating budget and assessment for FY 2013. If I can be of further assistance or should you have any questions regarding this matter, please contact me at 239-4612, John Gillen, Watermaster Section Manager at 239-4721, or Steve Ramos, South Texas Watermaster at (210) 403-4040.

South Texas Watermaster Operations

Annual Appropriation Information

	FY11	FY12	FY13
Legislative Appropriation Amount (including SORM)	447,956.60	505,086.87	504,221.26
Anticipated Rider Funding	0.00	16,653.56	320.61
Estimated Fringe and SWCAP (not in Appropriation)	99,267.00	58,800.00	53,364.00
Estimated Total Fund Obligation	\$547,223.60	\$580,540.43	\$557,905.87

FY12 Budget/Anticipated Expenditures Compared to FY13 Operating Budget Needs

Budget Categories	FY12 Approved Budget	FY13 Operating Budget Needs	Difference from FY12 to FY13 Budget
Salaries	341,471.90	\$328,136.88	(13,335.02)
Longevity	11,720.00	\$6,632.00	(5,088.00)
Salary Enhancements (1)	8,707.53	\$8,239.99	(467.54)
Fringe (2)	56,520.00	\$50,913.00	(5,607.00)
SORM (3)	840.00	\$915.00	75.00
SWCAP (4)	2,280.00	\$2,451.00	171.00
LAR Capital (5)	0.00	\$0.00	0.00
Professional/Temp Services (6)	75,360.00	\$68,375.00	(6,985.00)
Travel In-State (7)	3,500.00	\$4,225.00	725.00
Travel Out-of-State	0.00	\$0.00	0.00
Training	200.00	\$200.00	0.00
Rent - Building (8)	30,001.00	\$30,001.00	0.00
Postage	3,000.00	\$3,000.00	0.00
Phone/Utilities	12,190.00	\$12,258.00	68.00
Supplies - Consumables	200.00	\$965.00	765.00
Other Operating Expenses (9)	2,042.00	\$3,668.00	1,626.00
Fuels/Lubricants	23,000.00	\$27,000.00	4,000.00
Rent - Machine & Other	3,508.00	\$3,188.00	(320.00)
Facilities, Furniture & Equip (10)	6,000.00	\$7,738.00	1,738.00
Capital Equipment - Non LAR (11)	0.00	\$0.00	0.00
TOTAL	\$580,540.43	\$557,905.87	(\$22,634.56)

Notes:

- (1) Salary Enhancements are calculated based on 3.4% of 76% of total Salaries; these are projections only; actual expenditures will vary based on salary actions approved by management
- (2) Fringe includes employee benefits such as health insurance, social security insurance, and retirement
- (3) State Office of Risk Management (SORM) is a fee that is charged annually to the TCEQ; amount is estimated during budget development; actual expenditure may vary
- (4) Statewide Cost Allocation Plan (SWCAP) is a fee that is charged annually to the TCEQ for central services; amount is estimated during budget development; actual expenditure may vary
- (5) Legislative Appropriation Request (LAR) Capital includes all items exceeding \$25,000 in total agency cost (ex: vehicles, computers, monitoring equipment); must have legislative approval
- (6) Professional/Temp Services includes but is not limited to software development costs, summer interns, temporary employees
- (7) Travel In-State is capped at an agency level; an increase in WM travel funding cannot be accommodated without a corresponding decrease in travel funding in another agency program
- (8) A proportionate share of the annual TCEQ Regional Office building rent is charged to the Watermaster Program
- (9) Other Operating Expenses includes items designated by Comptrollers Office that do not fall into any remaining budget category (ex: annual vehicle inspection fees, vehicle decals, etc)
- (10) Facilities, Furniture & Equipment (FFE) includes but is not limited to non-LAR equipment less than \$5,000 in cost, non-consumable supplies, vehicle maintenance and repairs, etc
- (11) Capital Equipment - Non LAR includes capital items with a cost between \$5,000 and \$24,999

FY13 Proposed Assessment Calculation

FY13 Operating Budget Needs	\$557,905.87
Assessment Necessary Based on 97.5% Collection Rate	\$572,211.15

Historical Assessment Comparison

	FY11	FY12	FY13
Total Assessment	\$564,147.00	\$598,494.00	\$572,211.15
Municipal Rate	0.1841	0.1960	0.1822

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



STATE OF TEXAS §

COUNTY OF TRAVIS §

I, Bridget C. Bohac, Chief Clerk of the Texas Commission on Environmental Quality, do hereby certify that the Notice of Consideration of Proposed Assessment of Annual Costs for the South Texas Watermaster Program, was mailed on August 20, 2012. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 20th day of August, 2012.

Bridget C. Bohac

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

SEAL

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

NOTICE OF CONSIDERATION OF PROPOSED ASSESSMENT OF ANNUAL COSTS FOR THE SOUTH TEXAS WATERMASTER PROGRAM

The Commissioners of the Texas Commission on Environmental Quality will consider the South Texas Watermaster Operation's budget and proposed assessment for costs for September 1, 2012 through August 31, 2013 (TCEQ Fiscal Year 2013), during a public meeting at:

**9:30 A.M. in Building E, Room 201S
Located at 12100 Park 35 Circle
In Austin, Texas on
September 19, 2012**

This item is Docket No. 2012-1413-BGT, Consideration of an Order assessing costs of Watermaster operations in the South Texas Water Division which consists of the Nueces, San Antonio, Guadalupe, and Lavaca River Basins, as well as the Lavaca-Guadalupe Coastal Basin, the San Antonio-Nueces Coastal Basin, and the Nueces-Rio Grande Coastal Basin, except that part in Hidalgo, Cameron, Willacy, and Starr Counties.

The compensation and necessary expenses of the South Texas Watermaster Operations for the fiscal year is Five Hundred Fifty-Seven Thousand Nine Hundred and Five Dollars and Eighty-Seven Cents (**\$557,905.87**). Of this amount, Three Hundred Ninety-Three Thousand Nine Hundred Twenty-One Dollars and Eighty-Seven Cents (**\$393,921.87**) are needed for program staff base salaries and benefits (including longevity, salary enhancements, and fringe) and the remaining One Hundred Sixty-Three Thousand Nine Hundred Eighty-Four Dollars (**\$163,984.00**) are needed for program operating costs. Based on a 97.5% collection rate, these necessary expenses require a total assessment of Five Hundred Seventy-Two Thousand Two Hundred Eleven Dollars and Fifteen Cents (**\$572,211.15**) with a municipal rate of **\$0.1822**.

This notice is provided to all holders of water rights as required by the Texas Water Code Section 11.329. You may attend this meeting and provide comments to the Commission concerning this item. Persons with disabilities who have special communication or other accommodation needs who are planning to attend this meeting should contact the Office of Administrative Services Facilities Liaison at (512) 239-0080. Requests should be made as far in advance as possible.

The South Texas Watermaster Advisory Committee (WAC) was provided the proposed assessment and budget and a public meeting was held in San Antonio, Texas on July 11, 2012. The public was invited to attend this WAC meeting via notice dated June 8, 2012.

If you have any questions or would like a copy of the proposed budget, please contact the South Texas Watermaster's Office at (800) 733-2733 via fax at (210) 545-4329, or email at Steve.Ramos@tceq.texas.gov.

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 1, 2012

Re: Preliminary Budget for Fiscal Year 2013 for the South Texas Watermaster

Dear South Texas Watermaster Advisory Committee Members:

Enclosed for your review is a preliminary Proposed Budget for Fiscal Year 2013 (FY13) South Texas Watermaster Program (STWM). This notice is required by the Texas Water Code to be submitted at least 60 days before the Texas Commission on Environmental Quality (Commission, or TCEQ) meets to consider a proposed order establishing the final assessment amount (Texas Water Code, Sections 11.3261 and 11.329, as promulgated by Senate Bill 1406 in 1997).

The Watermaster will present a detailed proposed budget to the Watermaster Advisory Committee (WAC) during a meeting at the TCEQ's San Antonio regional office on Wednesday, July 11, 2012 at 1:30 p.m. Staff will mail a notification of this meeting to all water right holders and will provide an opportunity for the public to provide comments at the meeting.

The following list includes the pending time frames for budget approval:

- **June 14:** Watermaster staff will mail notification of WAC meeting to water right holders.
- **July 11:** The WAC will meet to discuss the preliminary budget.
- **July 16-31:** TCEQ management will review the proposed budget
- **August 3:** TCEQ will mail notice of the Commission meeting to all water right holders.
- **September 5:** The Commission will meet to consider approval of the FY13 budget.
- **September - October:** The Watermaster will mail FY13 invoices to water right holders.

The proposed assessment provides funding needed to support the Watermaster Program without additional TCEQ subsidy. Preliminary calculations indicate that the total amount to be assessed for FY13 would be \$572,211.15, which is a decrease when compared to FY12. Much of this difference is the result of replacing senior staff with entry-level positions.

If you have any questions or comments, please do not hesitate to contact me at (512) 239-4721 or Esteban (Steve) Ramos, South Texas Watermaster at (210) 403-4040.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Gillen".

John Gillen
Manager, Watermaster Section (MC-160)
Water Availability Division

Enclosure

PUBLIC MEETING NOTICE

SOUTH TEXAS WATERMASTER ADVISORY COMMITTEE

DATE: Wednesday, July 11, 2012

TIME: 1:30 P.M.

LOCATION: Texas Commission on Environmental Quality, San Antonio Regional Office
14250 Judson Road; San Antonio, Texas 78233-4480

Section 11.3261(e) of the Texas Water Code requires the Watermaster Advisory Committee (WAC) to review and provide comments to the executive director of the TCEQ on the annual budget for watermaster operations. The South Texas WAC will hold a meeting at the TCEQ's San Antonio Regional Office on July 11, 2012 at 1:30 p.m. to discuss the proposed South Texas Watermaster budget for fiscal year 2013. **The public, including all water right holders in the watermaster area, are invited to attend and participate in this meeting as well as to provide comments.**

You will also receive another notice after the WAC meeting is held. Section 11.329(b) of the Water Code requires the executive director to provide notice to water right holders at least 30 days prior to the Commission holding a public hearing on the proposed fiscal year budget. This is a separate notice that will be mailed following the completion of the WAC meeting and at least 30 days before the date that the proposed budget being considered during a Commission agenda meeting.

Notice Date: June 8, 2012

Esteban (Steve) Ramos, South Texas Watermaster

For questions or for a copy of the South Texas Watermaster budget for the current fiscal year 2012, please feel free to call the South Texas Watermaster at (210) 490-3096.

Special Notice – Participation on Committee

The South Texas WAC was established based on Section 11.3261 of the Texas Water Code. The WAC is required to:

- provide recommendations to the executive director of the TCEQ regarding water administration and distribution activities that would benefit water rights holders;
- review and provide comments to the executive director on the annual budget of the watermaster operations; and
- perform other duties requested by the executive director with regard to the watermaster operations, or perform other duties requested by water rights holders that the committee determines would benefit the administration of water rights.

The TCEQ values input from the South Texas WAC and is actively seeking interested participants to serve on the committee as vacancies become available. If you are interested in serving, or would like to nominate someone for appointment consideration, please contact the South Texas Watermaster's office at (210) 490-3096, via fax at (210) 545-4329, or e-mail at Steve.Ramos@tceq.texas.gov.

**South Texas Watermaster
Advisory Committee Meeting**

**July 11, 2012
1:30 P.M.**

Agenda

Welcome.....Esteban (Steve) Ramos South Texas Watermaster
Call to Order.....Mario Escobar, South Texas WAC Chair
Minutes from Previous Meeting.....Mario Escobar
Watermaster Program Overview and Update.....Esteban (Steve) Ramos

Discussion of Budget Approval..... Cindy Hooper
New Business.....
Adjourn.....